AGENDA ITEM 9: Proposition 1 (2014 water bond)

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Requested Action: Receive report on Proposition 1 and consider Commission position

<u>Background</u>: Proposition 1 is the \$7.5 billion water bond that will be on the November 4 ballot. It consists of the following provisions that are most relevant to the Delta:

\$50 million to the Delta Conservancy for "multibenefit water quality, water supply, and watershed protection and restoration projects for the watersheds of the state" (Sections 79710 and 79731), subject to the following restrictions:

- The Conservancy shall seek to achieve wildlife conservation objectives through projects on public lands or voluntary projects on private lands.
- Funds may be used, in consultation with the Department of Fish and Wildlife, for payments to landowners for the creation of measurable habitat improvements or other improvements to the condition of endangered or threatened species.
- The Conservancy may develop and implement a competitive program for habitat enhancements that maximizes voluntary landowner participation in projects that provide measurable and long-lasting habitat or species improvements in the Delta. These funds shall not be used to subsidize or decrease the mitigation obligations of any party.
- The Conservancy shall coordinate and consult with the city or county in which a grant is proposed to be expended or an interest in real property is proposed to be acquired and with the Delta Protection Commission. Acquisitions shall be from willing sellers only.

In addition, the bond also calls out for these efforts to "assist in water-related agricultural sustainability projects", among other purposes.

\$87.5 million to California Department of Fish and Wildlife for "water quality, ecosystem restoration, and fish protection facilities that benefit the Delta, including, but not limited to, the following:" (Section 79738)

- Projects to improve water quality or that contribute to the improvement of water quality in the Delta, including projects in Delta counties that provide multiple public benefits and improve drinking and agricultural water quality or water supplies.
- Habitat restoration, conservation, and enhancement projects to improve the condition of special status, at risk, endangered, or threatened species in the Delta and the Delta counties, including projects to eradicate invasive species, and projects that support the beneficial reuse of dredged material for habitat restoration and levee improvements.
- Scientific studies and assessments that support the Delta Science Program.

CDFW shall coordinate and consult with the Delta city or Delta county in which a grant is proposed to be expended or an interest in real property is proposed to be acquired; acquisitions shall be from willing sellers only; prioritize wildlife conservation objectives through projects on public lands or voluntary projects on private lands, to the extent feasible; no eminent domain; no

payment for costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities

\$295 million to Department of Water Resources and the Central Valley Flood Protection Board for Delta levees funding (Section 79780-79781), available to reduce the risk of levee failure and flood in the Delta for any of the following:

- Local assistance under the Delta levee maintenance subventions program
- Special flood protection projects
- Levee improvement projects that increase the resiliency of levees within the Delta to withstand earthquake, flooding, or sea level rise.
- Emergency response and repair projects.

Funds shall be allocated to multibenefit projects that achieve public safety and include fish and wildlife habitat enhancement. The Department of Water Resources shall make its best effort to coordinate this funding with proceeds from Propositions 84 and 1E.

BDCP neutrality: Funds shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities. Those costs shall be the responsibility of the water agencies that benefit from the design, construction, operation, mitigation, or maintenance of those facilities. (Section 79710(a))

In addition, there are provisions in Proposition 1 that are viewed by the South and Central Delta Water Agencies as furthering the goals of BDCP, including funding for fish flows (Section 79709(c)), the lack of further restrictive language on habitat funding (both Delta Conservancy and CDFW), and insufficient restriction on Delta levee funding such that these funds could be prioritized for habitat improvements rather than improving levees to reduce flood risk. Both water agencies, as well as other Delta interest (Restore the Delta) are opposed to Proposition 1.

The Commission is able to take a position on a ballot measure such as Prop. 1, but is prohibited from spending any public monies or staff resources to advocate for that position.